From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Thu, 1/7/2016 7:07:24 PM
Subject:	Daily Update

Quote of the Day

"Get your facts first, and then you can distort them as much as you please." - Mark Twain

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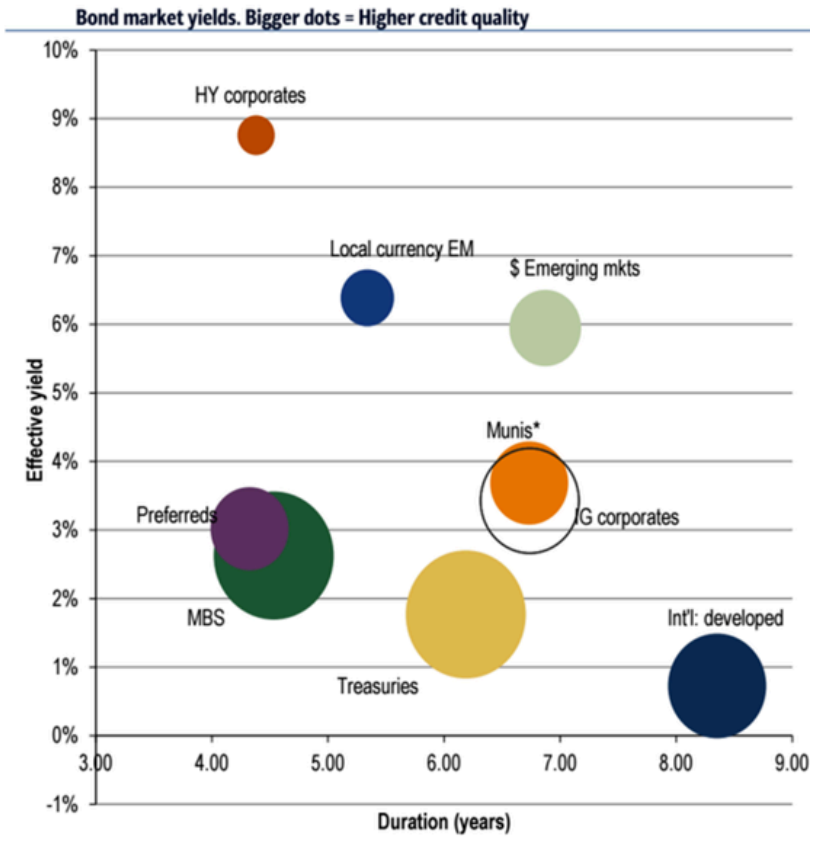
- News flash: It's going to be an ugly day. Chinese stocks were open for approximately 29 minutes before the 7% circuit breaker shut the market for the day (note bene: of the 29 minutes, only 10 had any trading activity…). I suspect tomorrow will be the same for China as investors scramble to get liquid in an illiquid market (unless the government announces new measures). The Chinese rout is extending globally today as Europe is down about ~3%, US futures are down ~2 ¼% and oil is in the $32's (post-Lehman lows now). Global sentiment continues to deteriorate. On one hand this is keeping risk premia high on the other, it is tightening capital market conditions… In other news, The DJIA finished below 17,000, Macy's cut guidance and is closing stores and firing workers, the Saudi equity market is down 5% and I was sold a bad lottery ticket yesterday (the good news is that Powerball is now projected to be ~$700mm). Futures: -40. 10 year: 2.16%

- Data: Claims: 277k (vs. 275k (exp). Jobs data will be very important tomorrow (we're looking for not too hot and not too cold)

- Credit: Overall, credit is behaving relative to equity performance (reminder: credit repriced itself last year while equities strolled along). I suspect we will experience a buyers strike today. We are starting down small. It will be interesting to see if there are any jumpers though because the color is indicating that cash levels remain high. The bad news is risk aversion will be prominent which could lead to lower capital formation. The macro types are watching credit closely



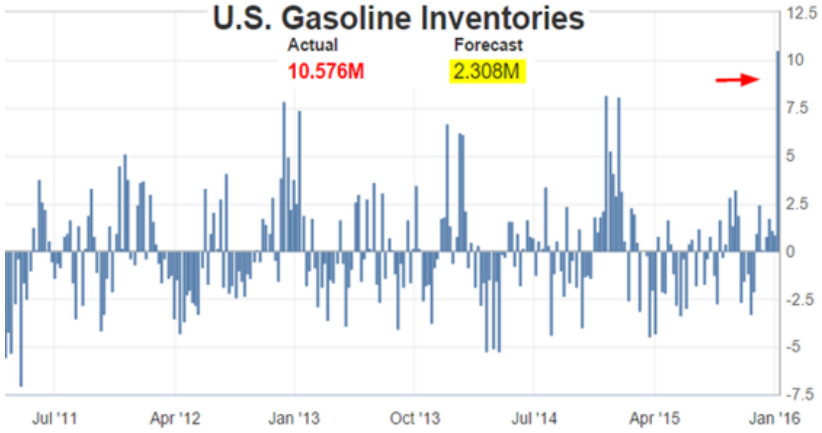
- Charts of the day:

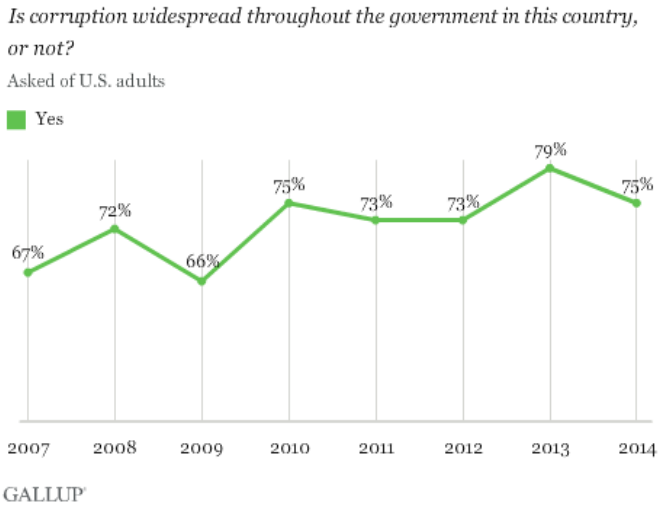
$450mm Jackpot (hardly worth it….)

AFTER TAX LUMP SUM EXPECTED PAYOUT

NUMBERS MATCHED	PRIZE	PRIZE - COST	LIKELIHOOD	PROBABILITY	(PRIZE - COST) X PROBABILITY
5 white and red	$137,700,000	$137,699,998	1 in 292,201,338	0.0000000034	$0.47
5 white	$500,000	$499,998	1 in 11,688,053.52	0.0000000856	$0.04
4 white and red	$25,000	$24,998	1 in 913,129.18	0.0000010951	$0.03
4 white	$50	$48	1 in 36,525.17	0.0000273784	$0.00
3 white and red	$50	$48	1 in 14,494.11	0.0000689935	$0.00
3 white	$3.50	$1.50	1 in 579.76	0.0017248517	$0.00
2 white and red	$3.50	$1.50	1 in 701.33	0.0014258623	$0.00
1 white and red	$2	$0	1 in 91.98	0.0108719287	$0.00
Red	$2	$0	1 in 38.32	0.0260960334	$0.00
Nothing	$0	-$2	1 in 1.04	0.9597837679	-$1.92

EXPECTED VALUE: -$1.37





- Other:
  - Private Capital Fund-Raising Goal Rises to a Record $946 Billion (private debt funds $85bn) http://www.nytimes.com/2016/01/07/business/dealbook/private-capital-fund-raising-goal-rises-to-a-record-946-billion.html?ref=dealbook

- US Navy - Today's 272-ship fleet isn't nearly enough. The U.S. needs 350 ships to meet the rising global dangers http://www.wsj.com/articles/s-o-s-for-a-declining-american-navy-1452124971?mod=rss_opinion_main
- Reminder: Let's not be this guy…

- HY: 99 5/8 (-5/8)
- IG:95 ¼ (+2 7/16)
- CSLLI: 0.03% mtd / 0.03% ytd

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